

# Drug firms fail to comply; GMA to sign EO

President Arroyo will sign the executive order setting a maximum drug retail price (MDRP) on six to seven types of medicine most commonly prescribed in the country.

Health Secretary Francisco Duque III said the President would sign the EO on Wednesday and this will take effect on Aug. 15.

"The six or seven will be subjected to the maximum drug retail price," Duque said.

Duque revealed that most of the pharmaceutical companies failed to fully comply with the demand of the government to voluntarily bring down the price of 21 drugs by 50 percent or more.

According to Duque, the drug companies submitted their lists of medicine last Saturday but only seven to eight of them fully complied with the requirements of the government.

Out of the 13 companies that submitted, 11 of these belong to the Pharmaceutical and Healthcare Association of the Philippines

(PHAP) that counts the big multinational companies as members.

Duque noted that only 14 to 15 types of medicine matched the government's list of 21 that would be subjected to a price ceiling.

The list of 21 drugs was in the implementing rules and regulations (IRR) of the cheaper medicine law and include the most commonly prescribed drugs in the country, such as those for treating hypertension, cancer, diabetes, high cholesterol and infections.

By compliance, Duque explained that the drug companies should bring down their prices by at least 50 percent.

In the lists submitted by the drug companies, Duque noted that six to seven drugs showed only a reduction of 30 percent.

During her meeting with executives of the drug companies last July 8, President Arroyo

By MARVIN SY

agreed to give the firms 10 days to submit their commitment to voluntarily bring down the price of medicine, using the list of the DOH as their basis.

As a result of the failure of the drug firms to fully comply, Duque said that Mrs. Arroyo would now sign the EO placing some medicine under the MDRP.

Since the firms were able to match the list of the government for 14 to 15 types of medicine, Duque noted that only the remaining six or seven would be included in the EO.

The PHAP, for its part, said they would not want to be accused of price fixing that is why they cannot mandate all the firms to cut the prices the same way.

The drug firms balked at cutting prices for the balance of the products on the list because "they said it's going to eat into their profits,"

he said.

But Duque said their argument did not hold water because "the prices of such brands drugs and medicine are much higher" in the Philippines compared to all other countries in Southeast Asia, as well as in India and Pakistan.

Duque emphasized that the President has given the drug companies ample time to comply and now it is his turn to act.

Some drug companies presented a counter offer to the government in the form of a list of additional products that would be covered by a 50-percent reduction.

However, this was also unacceptable to the government because only the list of 21 would be considered.

## Validating the list

Dr Robert Louie So, program manager of the National Drug Policy-Pharmaceutical Management Unit of the DOH, said that they are now validating the lists provided by the drug firms to see if these are accurate.

So noted that at least one of the brands submitted by the drug firms was no longer in the market.

Duque said that he would give the concerned drug firm the benefit of the doubt and consider that it was probably just an oversight on its part.

He said that the firms have no choice but to bring down their prices and that non-compliance would carry the corresponding penalties under the cheaper medicine law.

Duque said that the DOH would review the implementation of the law three months after the EO takes effect to ensure the compliance of all concerned.

According to Duque, the drug firms would have to justify any price increase after the price ceilings take effect.

"They may resort to whatever legal remedies are available to them. So that's pretty much their option. But those who voluntarily reduce their prices, it will show to all and sundry that one, they responded to the call for a voluntary reduction, there's no problem with that, and number 2, it can be done," he said.

Meanwhile, some of the drugs whose prices will be halved under the EO are the anti-hypertensive Norvasc (P22.50 from the present P44.50), anti-diabetic Diamicon (P7.35 from P14.75), antibiotic Augmentin suspension 60 ml (P179.50 from P359).

Sen. Alan Peter Cayetano earlier said there was still a big gap in the drug prices, being implemented in our country and in India: For instance, Ventolin inhaler in the Philippines is P350 per piece but only P120 in India; Forestan 500 mg, P22 per capsule but P2.50 in India; Norvasc 10mg P77 per tablet in the Philippines but only P7 per tablet in India.

"Even if President Arroyo signs the order with MDRP, prices are still exorbitant, too high. Plus many essential drugs are still not included," Cayetano said.

Meanwhile, health workers and patients led by members of the Health Alliance for Democracy (HEAD) yesterday trooped to the DOH main office in Sta. Cruz, Manila to demand a reduction in the prices of more medicine on the market, saying the government should go beyond the 21 drugs under the maximum retail price.

Meanwhile, Sen. Mar Roxas also demanded yesterday that American giant pharmaceutical firm Pfizer Inc. open its records to a congressional oversight committee on its lobbying with the Philippine government in connection with the passage into law and the implementation of the Cheaper Medicine Law.

He also asked the United States government to investigate possible violations by Pfizer of the US Foreign Corrupt Practices Act and local laws in the company's attempts to influence the Philippine legislature and the government into watering down the measure to bring down prices of medicine in the country.

He said the Joint Congressional Oversight Committee on Quality Affordable Medicine, which he co-chairs along with Palawan Rep. Antonio Alvarez, requires these documents from Pfizer in line with the oversight committee's investigation into allegations that the company was attempting to "bribe" the Philippine government to weaken implementation of the law. — With Aurea Calica, Mayen Jaymalin, AFP and Elisa Osorio